



Pike Place Market

SEATTLE, WASHINGTON

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Pike Place Market is the nation's oldest continually operating farmers market. Created in 1907 to connect farmers directly with their customers, the Market has survived both good and bad times.

After Seattle residents voted to create the Pike Place Market Historic District in 1971, the City established the Market Historical Commission to recommend a vision for the District, including acceptable activities in the Market. With support from the State, the City of Seattle chartered the Pike Place Market Preservation & Development Authority (the State's first PDA) in 1973 "to bring passionate citizens together to tackle a public problem no other entity could solve."¹ The PDA was charged with purchasing, rehabilitating, and managing the Market's day-to-day operations.

In the early 1980s, unable to refinance its buildings through traditional means, the PDA partnered with a group of New York venture capitalists called the Urban Group. The PDA hoped that a public-private partnership would give the Market greater access to the capital it needed to preserve its buildings while preserving the affordable residential and commercial rents required by its charter.

The PDA's partnership with the Urban Group backfired in the late 1980s when the investment firm demanded that the PDA raise rents and then threatened to take over the Market. Instead, Peter Steinbrueck organized a second grassroots campaign to save the Market, with the State and City ultimately paying the Urban Group \$2.25M in a settlement that restored the PDA's ownership of the Market. In the deal, the PDA was required to establish a capital reserve fund and implement five-year capital improvement plans.

How PDAs Work

A PDA is a widely used form of management that pairs a specific public purpose with private business efficiency. Created by cities and counties, PDAs can buy and sell property, receive government grants and tax-exempt contributions, borrow money and issue tax-exempt bonds. Their meetings are open to the public, but visitors are often rare. In the early 1980s, a state audit directed Seattle to pay closer attention to its PDAs. Since then, a full-time city PDA coordinator has attended nearly every meeting. Seattle's PDAs also file financial reports with the City and appear before a city council committee annually.

Benefits

PDAs can independently manage unusual projects and more easily respond to unique needs than a typical city agency. PDA funding tends to be more stable since it's not tied to municipal budgets nor does it compete directly with other public priorities. PDAs also can be used to shield local governments from financial risks as the parent municipality is typically not liable for debts incurred by the PDA.

Disadvantages

Without adequate oversight by a qualified board and the City, PDAs can get into trouble very quickly, as illustrated by the Pike Place Market PDA's dealings with the Urban Group. PDA boards may lack fundraising expertise or the ability to manage big development projects.

BASIC FACTS

Size:	9 acres
Location:	Downtown Seattle, at the intersection of Pike Place and 1 st Avenue
Features:	Market stalls, restaurants, coffee shops, space for public performers, offices, child care, senior center, health clinic, food bank, 300 moderate- and low-income apartments, Rachel the Pig, parking garage
Owner:	Pike Place Market Preservation & Development Authority
Manager:	Pike Place Market Preservation & Development Authority
Costs:	\$9.5M annual operating budget
Maintenance & Operations Funding	Rent from merchants/stalls, Market Foundation funding, PDA-issued bonds; no public funds for operations
1970s Capital Financing	Federal: \$60M Private: \$75M
1991 Settlement	State: \$1.5M City: \$750,000



Top: Tulips for sale at the Pike Place Market in the spring of 2008 (City of Seattle). Bottom: Farmers sell their goods during the early days of the Market (Seattle Times/Asahel Curtis).

¹ After overturning a City plan to raze the market, Seattle citizens were too distrustful of government to let operation of the market go back into City hands. The PDA offered a hybrid approach: the City would appoint citizen council members to run the PDA and stay out of its day-to-day operations, while still retaining the ability to exercise oversight. (Susan Byrnes, "21 Law created that strange animal, the PDA," *Seattle Times*, Sept. 27, 1998.)

Groups Involved in the Pike Place Market

The Pike Place Market Preservation & Development Authority (PDA) is a nonprofit, public entity chartered by the City Council in 1973 to purchase, rehabilitate and manage the Market. Its mandate also includes increasing opportunities for farm and food retailing, serving as an incubator for small owner-operated businesses, and providing services for low-income people. Its 12-member board is appointed by the mayor, city council and Market Constituency.

The Pike Place Market Constituency was created in 1973 to exercise public oversight of the Market. It works to keep the PDA responsible and accountable, and acts as an advisory and lobbying group to both the PDA and City Council. For \$1, any Washington resident age 16 or older can become a member of the group and vote on market issues.

The Pike Place Market Historical Commission was established in 1971 to recommend a vision for the newly created Pike Place Market Historic District. The Commission is an independent, quasi-judicial body with authority over design and use of space within the Market and a mandate to preserve its historic character. Members are appointed by the mayor and represent property owners, merchants, residents, Friends of the Market, and Allied Arts.

The Market Foundation is a nonprofit established in 1982 to support services for low-income people, including the medical clinic, senior center, child care & preschool, and food bank. The Foundation also supports the Market's heritage programs, building improvements, low-income housing development, and programs that assist the Market's farmers.

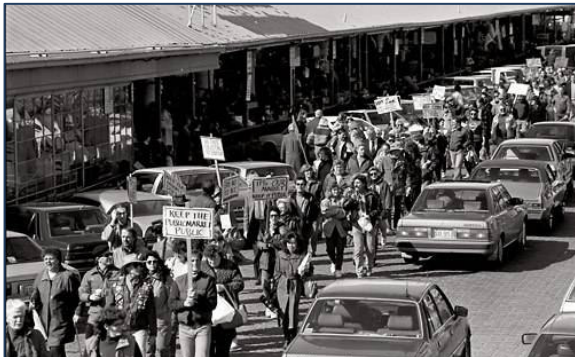
The Pike Place Merchant's Association grew out of the original Farm Association established in the 1920s. The Association advocates for and serves its members by providing access to professional legal, accounting, bookkeeping, and insurance services.

The Market Area Merchant Association promotes the economic health of the Market's merchants, assists and supports owners and operators of Market businesses, and advocates for the positions of its members in the planning and development of the Market.

The Daystall Tenants Association was formed to preserve the dignity and character of the Pike Place Market, specifically for its artists, farmers, agents, and performers.

The Pike Market Performers Guild promotes buskers' activities and coordinates the annual Pike Market Buskers Festival.

These groups have overlapping and sometimes conflicting interests which can create tension within the Market. For example, the PDA is funded solely by its property and tenant management activities. However, the PDA's charter, as well as some of the other Market groups, prioritizes the inclusion of small-scale start-ups which may be more costly and/or less reliable than other potential tenants. Also, the Historical Commission is charged with preserving the Market's historic design features, yet renovations are implemented by the PDA on behalf of its tenants and funded by the Market Foundation.



TIMELINE

1907	• Pike Place Market established by Seattle City Councilmember Thomas Revelle in response to a rapid rise in produce prices. • First buildings constructed by the Goodwin family with 6 produce stalls.
1910	• City of Seattle contributes \$10,000 to expand stalls at the Market.
1921	• Farmers retain control of Market by a one-vote margin of City Council.
1922	• The Goodwins propose to rent the best-placed stalls to wholesalers; despite opposition from farmers, the plan goes through.
1929	• Farmers protest plan to reserve some stalls for permanent vendors, but lose.
1939	• 515 farmers licensed to sell at the market—peak of Market.
1941	• Giuseppe ("Joe") Desimone takes over ownership from the Goodwins.
1942	• Japanese-American farmers are ordered to internment camps; stall leases plunge to 196, leading to decline of Pike Place Market.
1949	• 53 farmers licensed to sell at the market, down nearly 90 percent from 1939.
1950	• Proposal to replace market with 1,500-car parking garage.
1953	• Construction of the Alaskan Way Viaduct forces removal of pedestrian bridge linking the Market to the waterfront, originally built in 1912.
1958	• Downtown leaders establish Central Association of Seattle and begin working with Seattle Planning Commission on "Downtown 1985" plan.
1963	• Central Association makes public their proposal for <i>Pike Plaza</i> , amid much public opposition.
1965	• City establishes Pike Place Advisory Committee to look at design alternatives. • Councilmember Wing Luke encourages the opposition to organize, resulting in the creation of the Friends of the Market.
1968	• Revised plan proposes to replace Market with 4,000-car garage, hockey arena and 300,000-square-feet of office space.
1969	• Despite a 53,000-signature petition opposing the redevelopment, the City Council votes to adopt the plan and requests \$2M in federal funds.
1970	• At the urging of Victor Steinbrueck, the State Advisory Council on Historic Preservation designates Pike Place Market as a historic place.
1971	• Friends of the Market forces city-wide vote to save Market; more than 60 percent of Seattle voters support the market and designate it as a historic district.
1972	• City Council creates Historical Commission to develop vision for the district.
1973	• City charts Pike Place Market Preservation & Development Authority.
1974	• U.S. Senator Warren G. Magnuson allocates \$60M for PDA, spurring \$75M in private investment to purchase and rehabilitate the Market's buildings.
1977	• Market Senior Center opens.
1978	• Market Clinic opens; Victor Steinbrueck Park completed.
1980	• PDA completes acquisition of 80 percent of the Market's land.
1981	• PDA receives \$3M from the Urban Group to fund Market renovation.
1982	• Pike Place Market Foundation established.
1983	• The Hildt Agreement establishes rules for the allocation of daystalls.
1985	• "Pave the Market Arcade" tile project raises \$1.2M.
1986	• Rachel, the bronze pig, is installed at Market, raising \$9,000 annually.
1988	• The Urban Group threatens to foreclose, take over ownership of the Market and possibly radically redevelop it.
1989	• Market parking garage completed.
1990	• Peter Steinbrueck forms the Citizens Alliance to Keep the Pike Place Market Public to fight the Urban Group in court.
1991	• Settlement reached with the Urban Group.
1999	• City Auditor reviews practices of PDA and releases audit critical of the Pike Place Market PDA for occasionally violating the "spirit" of its charter.
2001	• Market Foundation begins "Pigs on Parade" campaign, raising \$500,000.
2007	• Centennial celebration of the Market.

Left: Supporters of returning the Market to local control rally in 1990 against the Urban Group (Seattle Times/Barry Wong).



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